

ORIGINAL

UNITED STATES DISTRICT COURT  
SOUTHERN DISTRICT OF NEW YORK

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UNITED STATES OF AMERICA :

-v- :

ABRAHAM HEBY and  
RONY ABRAMOVE,

Defendants. :

USDC SDNY  
DOCUMENT  
ELECTRONICALLY FILED  
DOC #:  
DATE FILED: **SEP 12 2016**

INFORMATION

16 Cr.

**16 CRIM 613**

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**COUNT ONE**

**(Willful Failure to Collect and Pay Over Payroll Taxes)**

The United States Attorney charges:

**Background**

1. At all times relevant to this Information, ABRAHAM HEBY and RONY ABRAMOVE, the defendants, resided in the State of New York.

2. At all times relevant to this Information, ABRAHAM HEBY and RONY ABRAMOVE, the defendants, owned, operated, and controlled a series of companies that managed, rented, and repaired yellow taxicabs in New York City. Those companies, which operated from a building located on 10<sup>th</sup> Avenue, New York, New York, included U.S. Auto Service, Inc. ("U.S. Auto"), a subchapter C corporation, and Evan Auto Incorporated ("Evan Auto"), a subchapter S corporation.

3. In addition to owning and controlling U.S. Auto and Evan Auto, HEBY and ABRAMOVE, the defendants, owned and controlled a series of smaller corporate entities, each of which owned two or three taxicab medallions, which are licenses issued by the City of New York

for the operation of public taxicabs.

4. Pursuant to the Internal Revenue Code and associated statutes and regulations, including the Federal Insurance Contributions Act (“FICA”), employers are required to withhold certain amounts from the paychecks of their employees and then remit these amounts to the Internal Revenue Service (“IRS”) on a quarterly basis, no later than the last day of the month following the end of the quarter. In addition to the amounts that employers must withhold from the paychecks of their employees for income taxes and FICA, employers are also required to make contributions under FICA in an amount equal to the amounts withheld from their employees (collectively, “payroll taxes”). Payroll taxes are made up, therefore, of five components: withheld income taxes, the employer’s and employee’s equal shares for Social Security and Medicare taxes. Payroll taxes are reported to the IRS by the employer on a Form 941, Employer’s Quarterly Federal Tax Return (“Forms 941”), due on the last day of the month following the end of a quarter.

5. An individual is responsible for collecting, accounting for, and paying over payroll taxes on behalf of an employer if he or she has the authority required to exercise significant control over the employer’s financial affairs, regardless of whether the individual exercised such control in fact. More than one person may be considered a “responsible person” for the purpose of collecting, accounting for, and paying over an employer’s payroll taxes.

6. At all times relevant to this Information, ABRAHAM HEBY and RONY ABRAMOVE, the defendants, each was a “responsible person” at U.S. Auto and Evan Auto for signing and causing to be signed, and filing and causing to be filed, Employer’s Quarterly Federal Tax Returns, Form 941, with the IRS, and depositing and paying over to the IRS and state authorities the entities’ federal and state payroll taxes.

**The Payroll Tax Scheme**

7. During the tax years 2006 through 2009, ABRAHAM HEBY and RONY ABRAMOVE, the defendants, devised and executed a payroll tax evasion scheme pursuant to which they caused U.S. Auto and Evan Auto to fail: (i) to report to the IRS more than \$3.55 million in wages paid to employees; and (ii) to collect and pay over to the IRS approximately \$545,000 in payroll taxes on those employee wages.

8. As part of the aforementioned payroll tax evasion scheme, ABRAHAM HEBY and RONY ABRAMOVE, the defendants: (i) paid numerous employees of U.S. Auto and Evan Auto in cash; (ii) failed to provide the U.S. Auto and Evan Auto employees paid in cash with IRS Forms W-2, which would have reported to the IRS the full amounts of compensation paid to the employees; (iii) filed and caused to be filed with the IRS Forms 941 for U.S. Auto and Evan Auto for various quarters between 2006 and 2009 that falsely and fraudulently understated various information related to compensation paid to employees of U.S. Auto and Evan Auto, including the total number of employees, total compensation paid to employees, and amounts of employment taxes withheld; and (iv) filed and caused to be filed with the IRS U.S. Corporation Income Tax Returns, Forms 1120 and 1120S, for Evan Auto and U.S. Auto for the tax years 2006 through 2009 that falsely and fraudulently underreported the total amounts of salaries and wages paid to employees.

**Statutory Allegations**

9. From on or about January 1, 2006, through on or about September 30, 2009, in the Southern District of New York and elsewhere, ABRAHAM HEBY and RONY ABRAMOVE, the defendants, being the owners of U.S. Auto and Evan Auto, and responsible persons with respect to the payroll taxes of U.S. Auto and Evan Auto, and thereby being required

to collect, account for, and pay over to the IRS payroll taxes of the employees, among others, willfully and knowingly failed to pay over to the IRS payroll taxes for U.S. Auto and Evan Auto for various quarterly periods during 2006 through 2009, resulting in unpaid employment taxes totaling approximately \$545,000.

(Title 26, United States Code, Section 7202.)

A handwritten signature in cursive script, reading "Preet Bharara".

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PREET BHARARA  
United States Attorney

Form No. USA-33s-274 (Ed. 9-25-58)

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16 Cr. (PAC)

(Title 26, United States Code,  
Section 7202)

PREET BHARARA

United States Attorney.

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9/12/16 DEPT PRCS W/ATTY MARY MULUGAN

AUSA STAN OKULA

DEPT LAIUS INDICTMENT AND PLEAS GUILTY TO CT 1

PSR REPORT ON DENY

CONTRAL DATE 1/12/17

BAIL SET \$100,000 PRS PRETRIAL SUPERVISION AS DIRECTED

SUBMIT TO UNRAVISED, ANY TRAVEL TO ISRAEL, DEPT TO  
NOTIFY GOVERNMENT & PROSECUTOR.

COTTJUSM